ORDINANCE NO. 18404

AN ORDINANCE introduced by Mayor James A. McClinton, exempting certain property, more specifically property owned by River Bottom Group, Inc. from property taxation for economic development purposes, pursuant to the provisions of the Code of the City of Topeka, Chapter 138, Article III, and located at approximately 3801 NW 14th Street, Topeka, Shawnee County, Kansas.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TOPEKA, KANSAS:

In accordance with § 13 of Article 11 of the Kansas Constitution, and pursuant to the Code of the City of Topeka Chapter 138 Article III, a percentage of the assessed valuation of the following property, owned by River Bottom Group, Inc. (RBG, Inc.), more specifically tangible real and personal property as listed in Attachment A, attached hereto and incorporated by reference as if fully set forth herein, is used by RBG, Inc. exclusively for exempt purposes and is therefore exempt from property taxation for a maximum term of ten (10) calendar years.

Section 1. The annual amount of the tax payment required of the owners of said property shall not be less than the amount that is determined under Topeka City Code §§ 138-84 and 138-86 and such additional amount that may be set forth in any other ordinance or resolution. Said amounts shall be paid to the County Treasurer at the same time as any property taxes on such property would be payable.

Section 2. Eligibility for successive years shall be redetermined annually. If the company fails to meet eligibility requirements for any one (1) year, no exemption shall be granted for that year. However, this will not jeopardize eligibility for the remaining years.
In order to continue eligibility for the exemption granted herein, the following criteria shall be met by the company:

(a) Continuation of at least one (1) of the new jobs created.
(b) Continue to be a manufacturer.
(c) Continuation of original ownership (exemption is not transferable).
(d) The company remains current on tax payments.
(e) Exemption is contingent upon approval from State Board of Tax Appeals.
(f) Eligibility for successive years shall be redetermined annually.
(g) If the company fails to meet eligibility requirements in any one (1) year, no exemption shall be granted for that year. However, this would not jeopardize eligibility for the remaining years.

Section 3. Determination of Exemption.

(a) The actual percentage of assessed valuation exempted shall be determined by the City according to the Code of the City of Topeka, Chapter 138, Article III.
(b) In determining the actual percentage exemption, the City shall require RBG, Inc. to provide the following:

(1) Certification as to the number of new full time equivalent jobs created.
(2) Certification as to the overall wage rate for the new full time equivalent jobs created.
(3) Any other documentation the City may deem necessary.

Section 4. Responsibilities of RBG, Inc.

(a) Submission of complete annual renewal application by January 15 of each year.
(b) Submission of information as required by the City.

(c) Must file claim of exemption with County Appraiser by March 1 of each year.

(d) Provide information that allows the City to determine if the goal to hire at least fifty percent (50%) city of Topeka residents has been met.

Section 5. Responsibilities of City.

Review and make determination of renewal application by February 1 of each year.

Section 6. Disclaimer.

City does not guarantee RBG, Inc. will receive an exemption of any amount for any or all years that it is eligible.

Section 7. No tax exemption shall be granted by the City unless the property for which the exemption is being sought is sued exclusively for the purposes specified in § 13 of Article 11 of the Kansas Constitution.

Section 8. This Ordinance shall take effect and be in force from and after its passage, approval and publication in the official city newspaper.

PASSED and APPROVED by the City Council MAR 15 2005.

ATTEST:

Iris E. Walker, City Clerk

APPROVED AS TO FORM AND LEGALITY
DATE 3/15/05 BY RN
TO BE CODIFIED
NOT TO BE CODIFIED √
The River Bottom Group, Inc.
d.b.a. CJS Industries

Part II - Property Identification

Schedule #1
Tangible Personal Property

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amada Gemini Laser</td>
<td>500,000</td>
<td>New Addition</td>
</tr>
<tr>
<td>Amada HFB 3 meter Press Brake</td>
<td>150,000</td>
<td>New Addition</td>
</tr>
<tr>
<td>Computers (8)</td>
<td>12,000</td>
<td>Replacements</td>
</tr>
<tr>
<td>Color Printer (Drafting Dept - Prints)</td>
<td>5,000</td>
<td>New Addition</td>
</tr>
<tr>
<td>Computer - Drafting Station</td>
<td>4,000</td>
<td>New Addition</td>
</tr>
<tr>
<td>Miscellaneous Tooling</td>
<td>9,000</td>
<td>New Addition</td>
</tr>
</tbody>
</table>

Part III - Business Information

Schedule #2
Purpose of Expansion
The addition of the equipment is required to keep up with technology in the industry and the production demands of newly acquired business.

Part V - Employment Data

Schedule #3
Employment Expansion
Employees will be hired to operate the equipment. The increase in business will require the addition of as many as three support people in the office and three additional people in the shop.

Part VIII - Public Benefits

Schedule #4
As a manufacturer, the River Bottom Group pays well above "minimum wage". Employees with no experience start at a base wage of $9 to $10 per hour. Individuals trained to operate the equipment make a base wage between $12 and $15 per hour. The total compensation package for employees includes health, life and disability insurance, a retirement plan and production bonuses.

The organization will have sales in excess of four million for 2004. Over 90% of sales are to companies outside of Shawnee County and 75% from outside the state of Kansas. That means over $3,000,000 in revenues is brought into Topeka from outside Kansas. The opportunity for continued growth and expansion in the future is good.

Of sales to date in 2004, almost $350,000 was from work farmed out to other manufacturers here in Topeka. We work closely with other businesses here in Topeka to provide customers with the service they need. As much or more work has been referred directly to these businesses as well.